

SD-02-2022/abg

19 MAY 2022

MAY RV PRICE for 2022/2023 SEASON

AVERAGE RV PRICE PER TON **R 5 685,81**

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	540,15
10,0	568,58
10,5	597,01
11,0	625,44
11,5	653,87
12,0	682,30
12,5	710,73
13,0	739,15
13,5	767,58
14,0	796,01
14,5	824,44
15,0	852,87

Industry Average RV % Cane **11,77%**
"d" factor **0,467087**
SASRI Extension Levy **R 1,02**
SASRI Levy - LSG Research **R 0,89**

The RV price payable at the end of **MAY 2022** in respect of 2022/2023 season cane deliveries up to the end of **APRIL 2022** was declared at **R5 685,81** per ton of RV. This represents an increase of **R64,04** when compared with the previous price (in respect of 2022/2023 season cane deliveries up to the end of March 2022). The increase was driven by the weaker weighted average R/\$ exchange rate (R16,02 vs. R14,52) and the drop in RV tons by 27k.

The negative factors were the lower weighted average No.11 world market price (US20,36c/lb vs. US21,48c/lb) and the decline in sugar:RV ratio (92,03% vs. 92,14%). The decline in cane production by 196k and sugar production by 27k reduced the exposure to the lower world market price.

The changes in monthly RV input variables and corresponding changes in revenue are detailed in Table 2 below:

Table 2: Change in RV price input variable and revenue

RV Price - Change in input variables	Latest	Difference	Previous
Cane Production	18 614 003	-196 056	18 810 059
Sugar: RV Ratio	92,03%	-0,11%	92,14%
Gross Sugar Production	2 016 860	-27 399	2 044 259
LMDE	1 479 617	0	1 479 617
RV Tons	2 191 421	-27 223	2 218 644
#11 World Price (wt avg)	20,36	-1,12	21,48
R/US\$ Ex Rate (wt avg)	16,02	1,50	14,52
RV Price	5 685,81	64,04	5 621,76
Change in Revenue	Latest	Difference	Previous
Rebates	254 571 977	0	254 571 977
Local Market Proceeds	15 560 326 179	1	15 560 326 178
Export Proceeds	3 893 874 386	-10 045 677	3 903 920 063
Molasses Proceeds	863 267 148	-7 219 203	870 486 351
Industrial Costs	759 951 059	801 964	759 149 095
Total Grower Revenue (64.3127% of NDP)	12 577 967 014	-11 619 274	12 589 586 288
Grower Levy - Net	-117 968 076	-1 076 355	-116 891 721
Net Grower Revenue for RV price	12 459 998 938	-12 695 629	12 472 694 567

Table 3 provides a range estimate for the final price for 2022/2023. The most likely estimate for 2022/2023 price is **R5 696** within a range of a low of **R5 652** and a high of **R5 729**.

Table 3: Range estimate for 2022/2023 RV Price

		Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production		2 050 000	2 020 000	2 000 000
RV % Cane		11,77%	11,77%	11,77%
Sugar: RV Ratio		92,00%	92,05%	92,15%
LMDE		1 460 000	1 480 000	1 500 000
Rebates (R)		254 571 977	254 571 977	254 571 977
No.11 (% exposure)		93,7%	93,1%	92,6%
No.11 (wt.avg)		20,14	20,63	21,11
R/\$ (% uncovered)		88,97%	88,97%	88,97%
R/\$ (wt. Avg.)		15,5426	15,9875	16,4323
RV Price		5 652,06	5 696,60	5 729,15
Notional Price Change 1	Sep-22	0,00%	0,00%	0,00%
Notional Price Change 2	Mar-23	0,00%	0,00%	0,00%
R/\$ Exchange Rate (Uncovered)		15,50	16,00	16,50
No.11 price (unpriced)		19,50	20,00	20,50
Refined %		60,01%	60,01%	60,01%